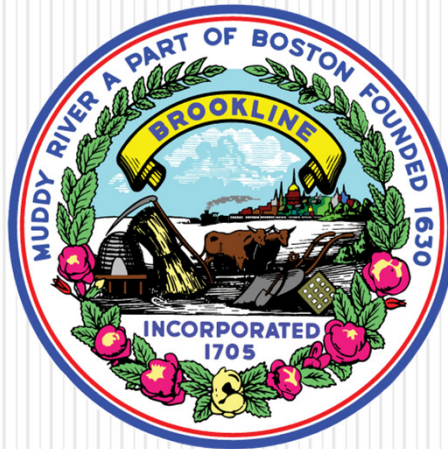


# FY2013 FINANCIAL PLAN



## **BOARD OF SELECTMEN**

BETSY DEWITT, Chairman  
NANCY A. DALY  
JESSE MERMELL  
RICHARD W. BENKA  
KENNETH M. GOLDSTEIN

MELVIN A. KLECKNER, Town Administrator  
SEAN CRONIN, Deputy Town Administrator  
MELISSA GOFF, Assistant Town Administrator  
STEPHEN E. CIRILLO, Finance Director

# FY2013 BUDGET OVERVIEW

- ❖ \$248.3 million budget, representing a 5.9% increase over FY 2012; after excluding one-time funding for the Capital Improvement Program, the increase is 4.2%
- ❖ Funding under the Chapter 70 education formula has increased by over \$2 million for Brookline, providing much needed budgetary support.
- ❖ School enrollment continues to spiral upwards, creating significant strain on the operating and capital budgets. Since FY 2005, enrollment has increased by 941 students, or 34 new teaching sections.
- ❖ Authorized a temporary formula adjustment, offsetting one half of the cost of the projected enrollment increase, resulting in a School Department budget increase of 3.7%.

# FY2013 BUDGET OVERVIEW (con't.)

- ❖ Municipal department operations maintain programs and services, increasing 2.5%.
- ❖ Newly revised fiscal policies that prioritize financial reserves are fully implemented.
- ❖ Functions within the Public Works Department have been reviewed and modified.
- ❖ The organization and staffing of the Planning and Community Development Department has been studied by a consultant and recommendations have been proposed.
- ❖ Changes to address the Town's Parking Meter system and technology have been proposed.

# FY2013 BUDGET - FISCAL PLANNING AND DISCIPLINE

- ❖ The Town has avoided drastic reductions in programs/services, loss of reserves, layoffs of incumbent personnel and additional tax overrides.
- ❖ We have maintained our Aaa Bond Rating.
- ❖ This is the result of solid fiscal discipline and good long-term budget planning.

# KEY FACTORS

- ❖ Control of Health Insurance costs (GIC)
- ❖ Prudent allocation of one-time funds
- ❖ Diversification of revenues (Hotel and Meals taxes)
- ❖ Negotiation of PILOTs
- ❖ Investment in energy efficiency and technology
- ❖ Selective privatization of programs and services
- ❖ Consolidation and reorganization
- ❖ Efficiencies in operations

# RECENT INITIATIVES

- ❖ Outsourced all School Grounds Maintenance (FY08)
- ❖ Consolidation of Town/School Payroll functions (FY09)
- ❖ Reduced Haul & Disposal (Trash) Rates (FY09)
- ❖ Re-Organized Sanitation / Leaf Collection Operations (FY09)
- ❖ Consolidation of Health and Human Service administration (FY10)
- ❖ Consolidation of Arborist / Conservation functions (FY10)
- ❖ Reduction and civilianization of firefighters assigned to Fire Prevention (FY10)
- ❖ Civilianization of Parking Meter Collections (FY10)
- ❖ Merger of Fire and DPW Wires / Signals Divisions (FY10)
- ❖ Reduction of FTE's in Finance Department (FY10+FY12)
- ❖ New meter system and additional Parking Control Officers (FY11)
- ❖ Consolidation of DPW / ITD position (FY11)
- ❖ Outsourced custodial services at Municipal Service Center (FY11)
- ❖ Reduction of FTE in DPW Fleet Services (FY12)
- ❖ Investment in Energy Efficiency /procured new elec./nat. gas contracts (various)
- ❖ PILOT agreements with non-profits (various)
- ❖ Invested in IT (VoIP, parking tix handhelds, RFID, Fire, GPS) (multiple FY's)
- ❖ Recreation Cost Recovery (multiple FY's)

# THE FY2013 BUDGET

	<u>FY 2012</u>	<u>FY 2013</u>	<u>\$\$\$ CHANGE</u>	<u>% CHANGE</u>
<b>REVENUES</b>				
Property Tax	163,620,489	169,848,463	6,227,974	3.8%
Local Receipts	20,275,792	21,084,438	808,646	4.0%
State Aid	13,383,563	14,806,425	1,422,862	10.6%
Free Cash	5,380,264	5,336,413	(43,851)	-0.8%
Other Available Funds	6,218,966	10,144,344	3,925,377	63.1%
Enterprises (net)	25,619,907	27,036,488	1,416,581	5.5%
<b>TOTAL REVENUES</b>	<b>234,498,983</b>	<b>248,256,570</b>	<b>13,757,586</b>	<b>5.9%</b>
<b>EXPENDITURES</b>				
Municipal Departments	63,203,475	64,815,040	1,611,565	2.5%
School Department	75,387,188	78,196,065	2,808,877	3.7%
Non- Departmental	55,595,569	59,028,494	3,432,925	6.2%
Special Appropriations	6,979,000	11,183,500	4,204,500	60.2%
Enterprises (net)	25,619,907	27,036,488	1,416,581	5.5%
Non-Appropriated	7,713,843	7,996,982	283,139	3.7%
<b>TOTAL EXPENDITURES</b>	<b>234,498,983</b>	<b>248,256,570</b>	<b>13,757,586</b>	<b>5.9%</b>

# REVENUES

- ❖ Property Tax increases by 3.8%, representing more than 75% of the Town's General Fund revenue and reflecting a stable source of revenue.
- ❖ State Aid increases \$2 million based on Governor's Budget, with the increase coming from Ch. 70 Education Aid. This is the first increase in 5 years.
- ❖ Local Receipts are up \$808,646 (4%). This represents the second consecutive year of an increase, but still not at the level of FY 2008. This year's increase includes an estimated \$300,000 in Medicare Part D Subsidy, which is earmarked for OPEBs.
- ❖ Free Cash is certified at \$7.1 million, but it is recommended that only \$5.3 million be used for CIP and Reserves in order to ensure that the Town's operating reserves remain  $\geq 10\%$ .
- ❖ Other Available Funds increase by more than \$3.9 million, due primarily to the \$3.25 million from the sale of the Town's Fisher Hill property, which is going toward the CIP.

# EXPENSES

- ❖ Municipal Departments up 2.5 % including salary reserve.
- ❖ School Department up 3.7%, inclusive of a salary reserve.
- ❖ Changes in Public Works operations.
- ❖ CDBG funding reductions anticipated.
- ❖ Health Insurance up 10.4%, which includes the increased share of premium contributions (from 80% to 83%).
- ❖ OPEB funding plan continued and augmented by \$300,000 in expected Medicare Part D Subsidy and an additional \$211,256 from Free Cash. Total contribution in FY 2013 is \$2.6 million.
- ❖ Enterprises up 5.5%.

# FY13 POLICY ISSUES & INITIATIVES

## ❖ Dept. of Planning and Community Development

- ❑ Staffing and organizational study completed by the Collins Center at UMass-Boston.
- ❑ Eliminate an administrative/financial position funded via CDBG.
- ❑ Eliminate the former Commercial Areas position, replacing it with a lesser classified planning position reporting to the Economic Development Director.
- ❑ Requires a more flexible workforce with better allocation of resources for high priority activities and peak workflow.

## ❖ Public Works Staffing and Services

- ❑ Reduce street sweeping on non-commercial streets from once every 10 days to once every 14; eliminate 1 FTE.
- ❑ Address prevailing wage issue in Forestry contract; instead of either a \$110K increase or a degradation of service, costs increase \$67K and increase service by 16.5%.
- ❑ Proposal also allows for additional support for Tree Warden.
- ❑ Eliminate 1 Gardener/Laborer to offset Forestry increase.

## ❖ Parking Meters

- ❑ Time for change.
- ❑ Recommend moving to “pay-by-space” in lots and replace the multi-space meters servicing on-street parking with single-space meters that accept credit cards.
- ❑ Includes investment in new parking enforcement technology.

# FY13 POLICY ISSUES & INITIATIVES II

## ❖ Information Technology

- ❑ BrookONLine has rolled out.
- ❑ VoIP telecomm system allows for a further reduction in budget of \$35K; \$150K total since move to system.
- ❑ Further roll-out of over-the-counter credit card acceptance by implementing this option in the Building Department.
- ❑ Emergency Management communications system continues to be upgraded in order to meet the 1/1/2013 mandate for “narrowbanding” compliance.
- ❑ On-line viewing of real-time water consumption will become reality with upgrade to meter reading system.

## ❖ Energy

- ❑ Using “Green Community” funding for LED’s in streetlights.
- ❑ Reduced Natural Gas contract price resulting in savings of more than \$200K.
- ❑ Smart energy design incorporated into the Runkle and Heath projects helped lessen the impact that additional square footage might have required.
- ❑ Water/Sewer costs for parks/playgrounds increasing due to more accurate readings of meters.
- ❑ Expect increase in gas/diesel due to current energy markets.

# FY13 POLICY ISSUES & INITIATIVES III

## ❖ Free Cash/Reserves

- ❑ FPRC Recommendations fully implemented.
- ❑ Moody's removed Brookline from "Watch List"; 2 weeks ago Aaa rating re-affirmed.
- ❑ Aggressive OPEB Funding.

## ❖ Expanded Revenue

- ❑ PILOT's- 4 new ones.
- ❑ Entrepreneurial use of Town Hall and Town Hall Garage.
- ❑ Collins Center recommendation on Land Use permit fees.
- ❑ Cemetery revenue.
- ❑ Taxi Medallion program.

## ❖ Employee Compensation/Benefits

- ❑ GIC and use of HRA and FSA plans.
- ❑ Modest reserve for wage and salary increases.
- ❑ Public Safety IOD- Modified Duty and Fitness Program.

## ❖ Other

- ❑ Veterans Employment Assistance.
- ❑ COA Van purchase vs lease.
- ❑ Conversion of payroll to in-house MUNIS application.

# LONG-RANGE FINANCIAL PLAN

- ❖ Important to take a longer outlook on financial and budget issues.
- ❖ Consistent with our longer range capital planning process.
- ❖ The Plan is based upon assumptions. The nature of long range budget forecasting is conservative and cumulative.
- ❖ Deficits beginning in FY2014 ranging from \$3.1 million to \$8.1 million in FY2017, representing a structural gap between revenue growth of 3.2% and expenditure growth of 4%.
- ❖ Our goal is to eliminate that gap in a way that balances revenue growth and expenditure control.

# FINANCIAL PLAN SUMMARY

	General Fund *	Water & Sewer Enterprise Fund	Golf Enterprise Fund	Recreation Revolving Fund	Parking Meter Fund	Cemetery Trust	State Library Aid	Capital Project Surplus	Sale of Town-owned Land Fund	TOTAL	% of Total
<b>REVENUES</b>											
Property Taxes	169,848,463									169,848,463	68.4%
Local Receipts	21,084,438									21,084,438	8.5%
State Aid	14,806,425									14,806,425	6.0%
Parking Meter Receipts					3,950,000					3,950,000	1.6%
Walnut Hill Cemetery Fund						50,000				50,000	0.0%
State Aid for Libraries							41,555			41,555	0.0%
Golf Receipts			1,204,000							1,204,000	0.5%
Recreation Program Revenue				2,388,655						2,388,655	1.0%
Water and Sewer Receipts		25,736,622								25,736,622	10.4%
Capital Project Surplus								560,000		560,000	0.2%
Sale of Town-owned Land									3,250,000	3,250,000	1.3%
Free Cash	5,336,413									5,336,413	2.1%
<b>TOTAL FINANCIAL PLAN REVENUE</b>	<b>211,075,740</b>	<b>25,736,622</b>	<b>1,204,000</b>	<b>2,388,655</b>	<b>3,950,000</b>	<b>50,000</b>	<b>41,555</b>	<b>560,000</b>	<b>3,250,000</b>	<b>248,256,570</b>	
<b>EXPENDITURES **</b>											
General Government	7,598,114									7,598,114	3.1%
Public Safety	32,253,529				1,950,000					34,203,529	13.8%
Public Works	11,484,466	21,495,689			1,950,000	50,000				34,980,154	14.1%
Library	3,627,437						41,555			3,668,992	1.5%
Health & Human Services	2,355,657									2,355,657	0.9%
Recreation	1,014,283		856,544	2,106,891						3,977,718	1.6%
Schools	78,196,065									78,196,065	31.5%
Personal Services Reserve	715,000									715,000	0.3%
Collective Bargaining (Town)	1,775,000									1,775,000	0.7%
Personnel Benefits **	43,851,907	1,855,987	87,355	278,665						46,073,914	18.6%
Non-Departmental **	2,836,926		67,682	3,099						2,907,707	1.2%
Debt Service **	10,046,874	2,384,946	192,419							12,624,239	5.1%
Revenue-Financed CIP (Special Appropriations)	7,323,500				50,000			560,000	3,250,000	11,183,500	4.5%
Non-Appropriated	7,996,982									7,996,982	3.2%
<b>TOTAL FINANCIAL PLAN EXPENDITURES</b>	<b>211,075,740</b>	<b>25,736,622</b>	<b>1,204,000</b>	<b>2,388,655</b>	<b>3,950,000</b>	<b>50,000</b>	<b>41,555</b>	<b>560,000</b>	<b>3,250,000</b>	<b>248,256,570</b>	
<b>% OF TOTAL FINANCIAL PLAN</b>	<b>85.0%</b>	<b>10.4%</b>	<b>0.5%</b>	<b>1.0%</b>	<b>1.6%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.2%</b>	<b>1.3%</b>		

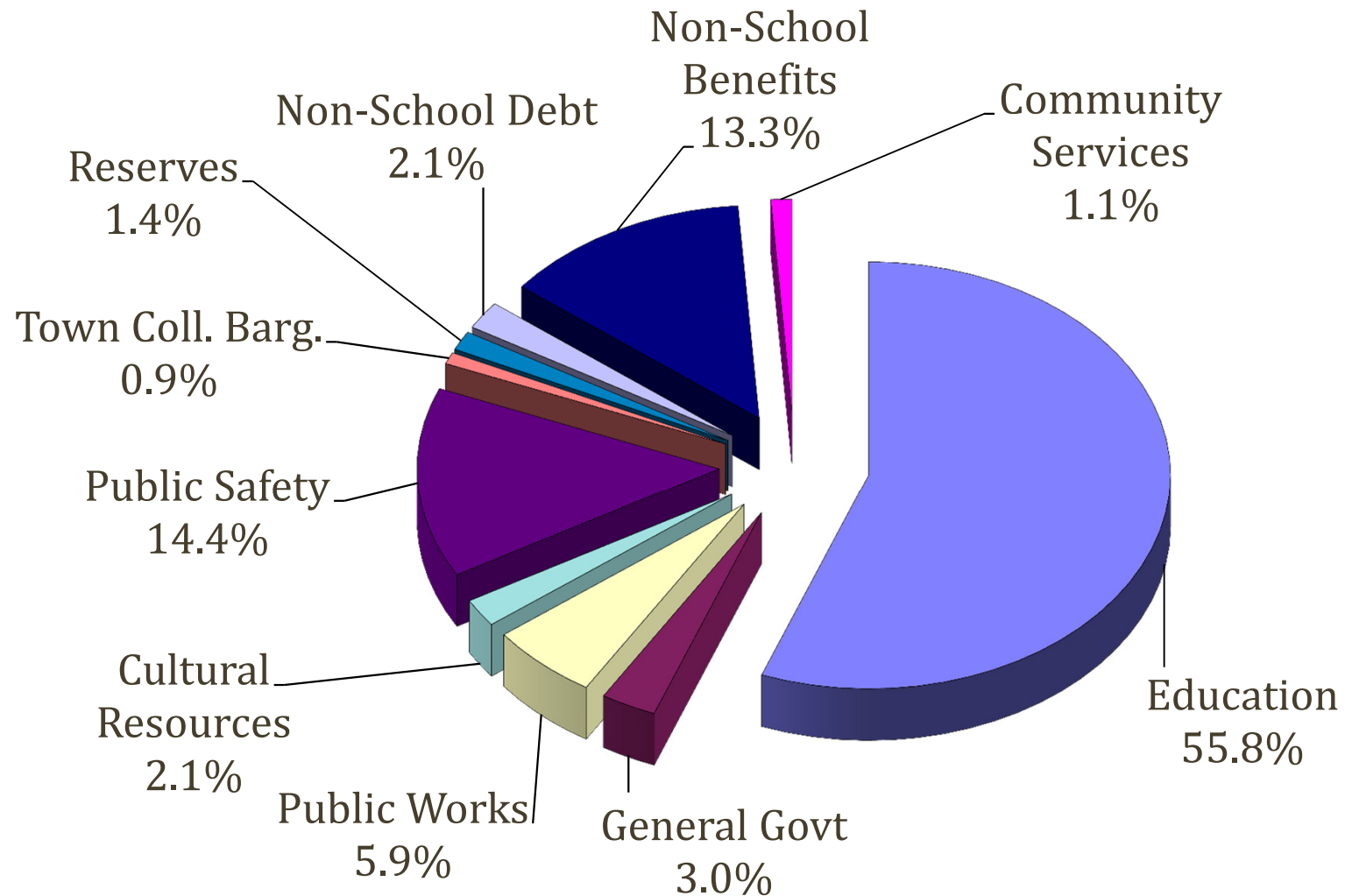
\* Includes revenue from Property Taxes, Local Receipts, State Aid, and Free Cash.

\*\* For purposes of this analysis, the reimbursements from the enterprise funds and revolving fund are deducted from the General Fund and re-allocated within that particular fund.

# MAJOR CHANGES FROM DECEMBER FORECAST

- ❖ **State Aid** – an increase of \$2M vs a projected cut of 5%, or \$600K.
- ❖ **Health Insurance** – a revised assumption of 5% vs 8%.
- ❖ These two changes resulted in an increase of approx. \$2.75M in budget capacity.
- ❖ So the \$2.8M deficit estimate largely eliminated.

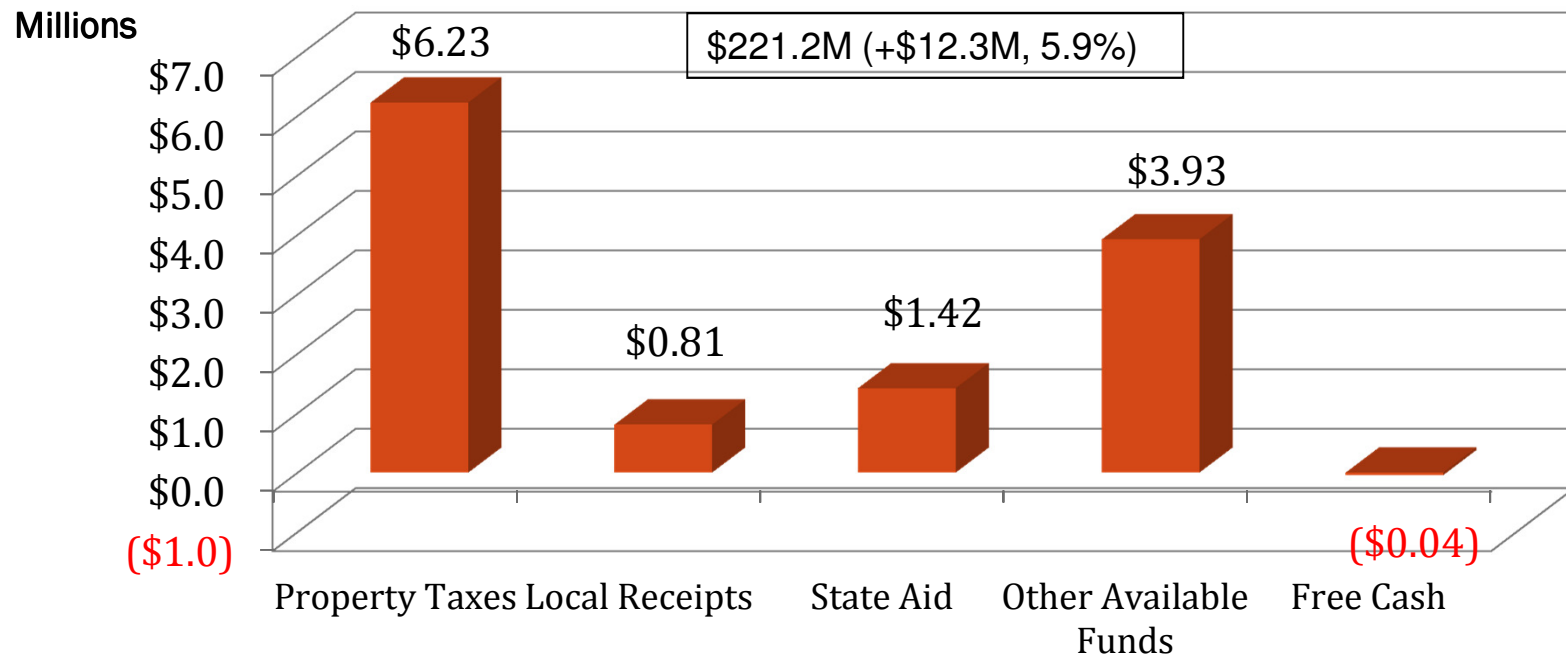
# FULLY ALLOCATED FY2013 GENERAL FUND OPERATING BUDGET



# GENERAL FUND SUMMARY

	FY2012 BUDGET	FY2013 BUDGET	INCREASE / DECREASE	
			\$	%
<b>REVENUE</b>				
Property Tax	163,620,489	169,848,463	6,227,974	3.8%
Local Receipts	20,275,792	21,084,438	808,645	4.0%
State Aid	13,383,563	14,806,425	1,422,862	10.6%
Free Cash	5,380,264	5,336,413	(43,851)	-0.8%
Other Available Funds	6,218,966	10,144,344	3,925,377	63.1%
<b>TOTAL REVENUE</b>	<b>208,879,077</b>	<b>221,220,083</b>	<b>12,341,006</b>	<b>5.9%</b>
<b>(LESS) NON-APPROPRIATED EXPENSES</b>				
State & County Charges	5,671,508	6,162,822	491,314	8.7%
Tax Abatement Overlay	1,910,496	1,700,000	(210,496)	-11.0%
Deficits & Judgments	25,000	25,000	0	0.0%
Cherry Sheet Offsets	106,839	109,160	2,321	2.2%
<b>TOTAL NON-APPROPRIATED EXPENSES</b>	<b>7,713,843</b>	<b>7,996,982</b>	<b>283,139</b>	<b>3.7%</b>
<b>AMOUNT AVAILABLE FOR APPROPRIATION</b>	<b>201,165,234</b>	<b>213,223,100</b>	<b>12,057,866</b>	<b>6.0%</b>
<b>APPROPRIATIONS</b>				
Town Departments	63,203,475	64,815,040	1,611,565	2.5%
School Department	75,387,188	78,196,065	2,808,877	3.7%
Non-Departmental Total	55,595,569	59,028,494	3,432,925	6.2%
General Fund Non-Departmental	53,268,158	56,735,705	3,467,547	6.5%
Water and Sewer Enterprise Fund Overhead	1,867,647	1,855,987	(11,660)	-0.6%
Golf Enterprise Fund Overhead	163,852	155,038	(8,815)	-5.4%
Recreation Revolving Fund Overhead	295,912	281,764	(14,148)	-4.8%
<b>OPERATING BUDGET SUBTOTAL</b>	<b>194,186,234</b>	<b>202,039,600</b>	<b>7,853,366</b>	<b>4.0%</b>
Revenue-Financed CIP (Special Appropriations)	6,979,000	11,183,500	4,204,500	60.2%
<b>TOTAL APPROPRIATIONS</b>	<b>201,165,234</b>	<b>213,223,100</b>	<b>12,057,866</b>	<b>6.0%</b>
<b>BALANCE</b>	<b>0</b>	<b>0</b>	<b>0</b>	

# GENERAL FUND REVENUE CHANGES

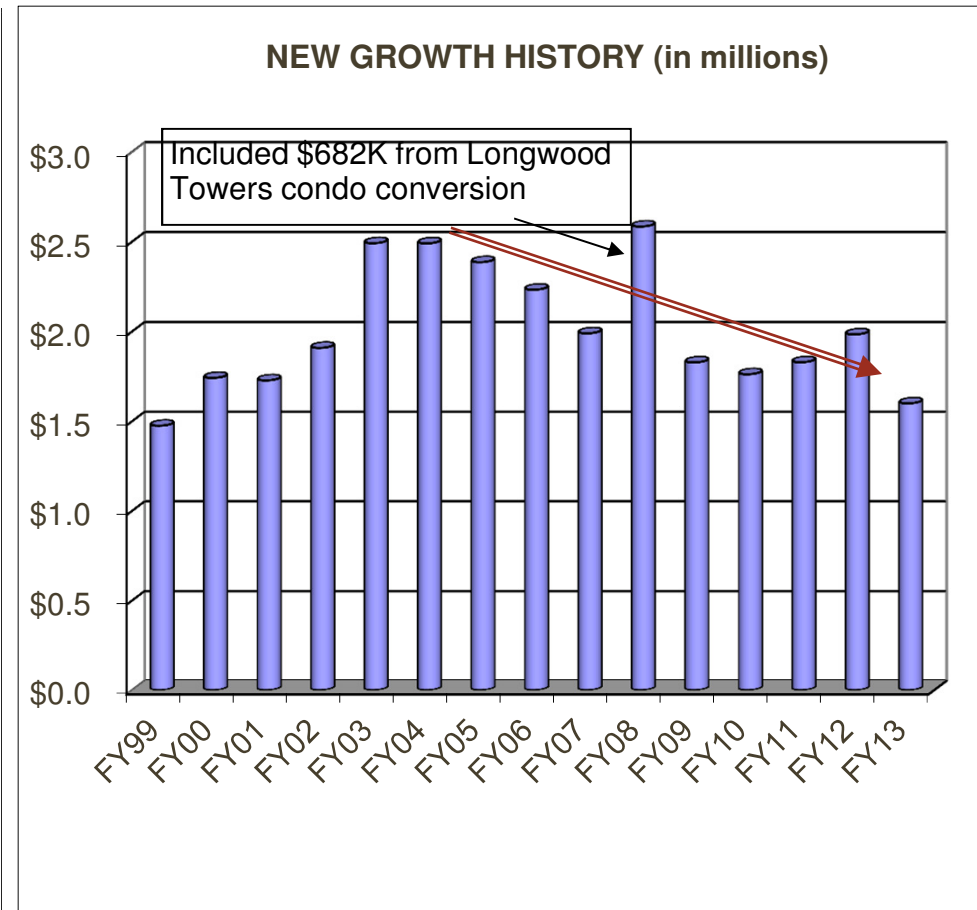


	FY12	FY13	\$ Change	% Change
Total General Fund Revenue	208,879,076	221,220,083	12,341,008	5.9%
<u>Less:</u>				
SBA Reimbursements	1,227,634	587,125	(640,509)	-52.2%
Net Debt Exclusions	1,090,408	1,630,808	540,400	49.6%
Add'l Revenue for CIP	5,430,264	9,246,413	3,816,149	70.3%
Free Cash	5,380,264	5,336,413	(43,851)	-0.8%
Parking Meter Receipts	50,000	100,000	50,000	100.0%
Sale of Town-owned Land Fund	0	3,250,000	3,250,000	-
Capital Project Surplus	0	560,000	560,000	-
<b>OPERATING REVENUE</b>	<b>201,130,769</b>	<b>209,755,737</b>	<b>8,624,968</b>	<b>4.3%</b>

# PROPERTY TAX – NEW GROWTH

- ❖ Has been a critical component of the Town's overall fiscal health.
- ❖ In FY13, estimating \$1.6 million.

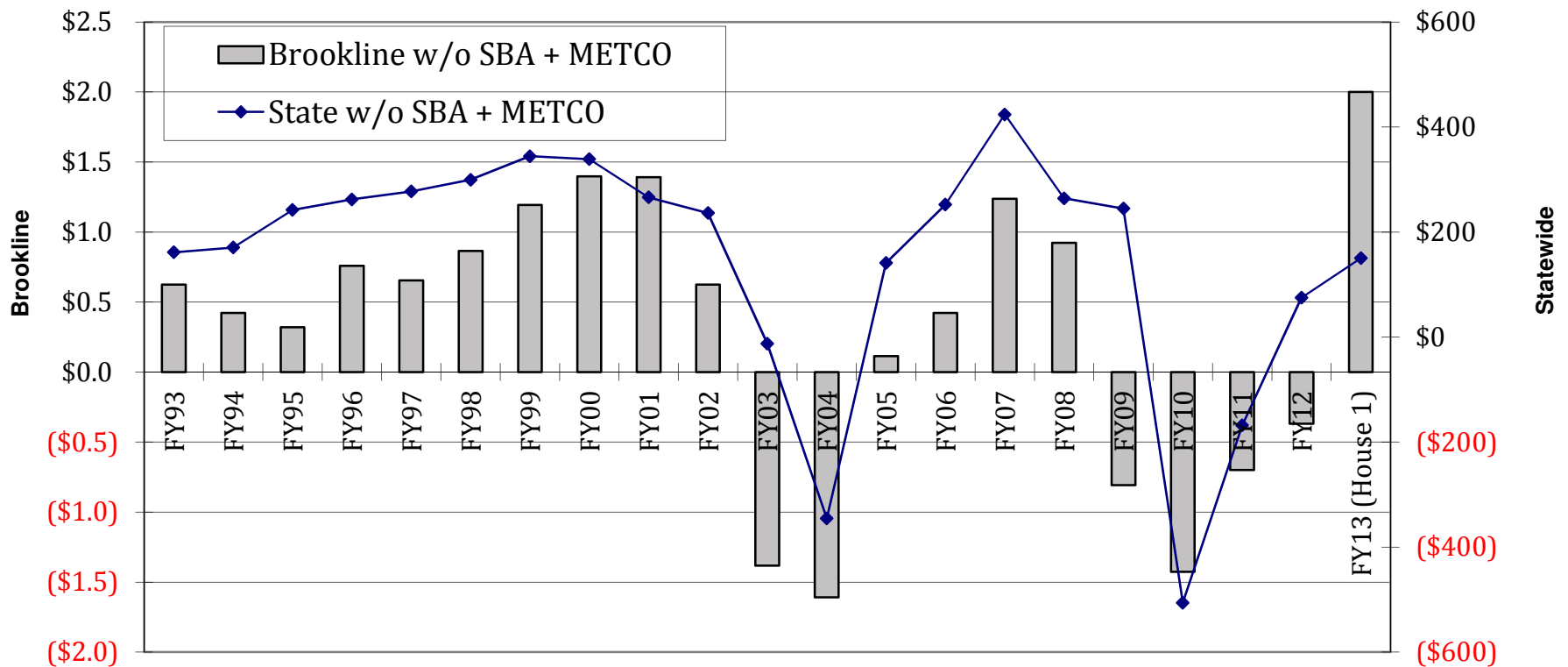
	2.5% Growth	New Growth	New Growth as % of 2.5%
FY99	\$2.17	\$1.48	68%
FY00	\$2.26	\$1.74	77%
FY01	\$2.36	\$1.73	73%
FY02	\$2.46	\$1.91	78%
FY03	\$2.57	\$2.49	97%
FY04	\$2.69	\$2.49	92%
FY05	\$2.82	\$2.39	84%
FY06	\$2.95	\$2.23	76%
FY07	\$3.08	\$1.99	65%
FY08	\$3.21	\$2.58	80%
FY09	\$3.36	\$1.83	54%
FY10	\$3.64	\$1.76	48%
FY11	\$3.78	\$1.83	48%
FY12	\$3.92	\$1.98	51%
FY13 (est.)	\$4.06	\$1.60	39%
<b>TOTAL</b>	<b>\$43.16</b>	<b>\$28.56</b>	<b>66%</b>



# STATE AID

- ❖ Following the Governor's budget of a proposed increase in Ch. 70 (\$2M) and level-funding in Unrestricted General Gov't Aid.
- ❖ FY13 increase of \$2.1M (17%), exclusive of SBA reimbursements.

**CHERRY SHEET AID -ANNUAL CHANGES (in millions)**



\* The State moved School Building Assistance (SBA) funding "off-budget" in FY06 and METCO off of the Cherry Sheet in FY07, so they are removed from all other years for a more accurate comparison.

# CHAPTER 70 AID

- ❖ Two key factors positively impacted Brookline and resulted in the \$2 million increase:
  - the aggregate wealth model used in the formula since FY07 continues to be in effect.
  - for municipalities with required contributions above their targets, such as Brookline, the requirement is reduced by 15% of the gap.
- ❖ In addition, Brookline is aided by the fact that the district's Foundation Budget increases 9%, due in part to a 3.65% increase for inflation, a 3.7% increase in foundation enrollment, and increases in areas such as English Language Learners (ELL).
- ❖ With the Foundation Budget increasing so significantly, the district becomes a "Foundation Aid Community", meaning Ch. 70 aid is required to bridge the gap between the foundation budget and the district's required contribution.

# CHAPTER 70 AID (con't)

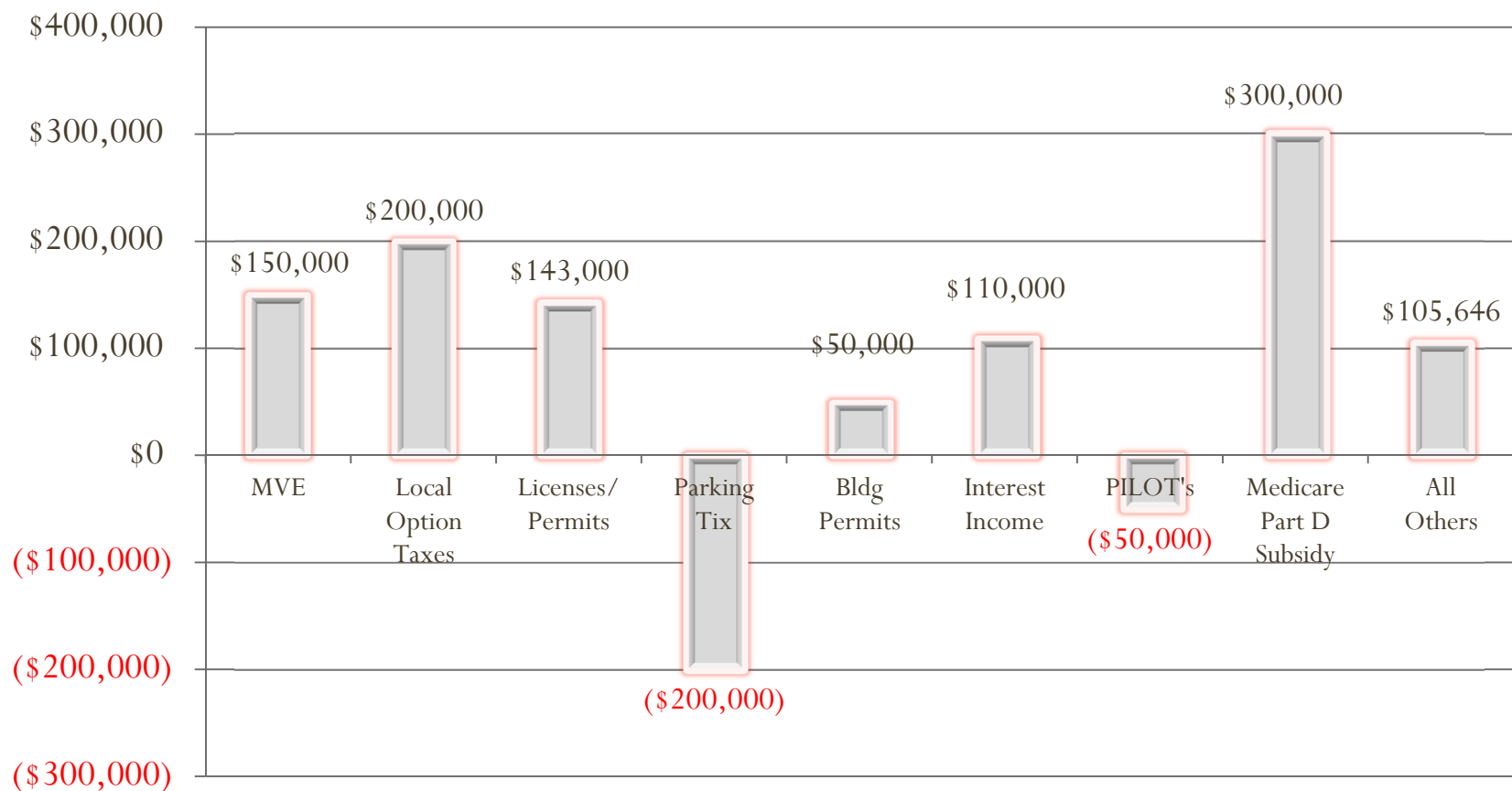
	<u>FY07</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>
Foundation budget	46,243,375	49,807,109	52,046,875	55,448,798	55,383,764	57,861,962	63,110,212
Required net school spending	64,819,179	63,319,142	60,268,078	60,526,653	59,137,816	59,481,712	63,110,212
<b>NSS a % of Foundation</b>	<b>140.17%</b>	<b>127.13%</b>	<b>115.80%</b>	<b>109.16%</b>	<b>106.78%</b>	<b>102.80%</b>	<b>100.00%</b>

- ❖ Important because once Required Net School Spdg is equal to the Foundation Bgt, Foundation Aid is required to get the district to the Foundation Bgt.

<b>Prior Year Aid</b>		<b>Prior Year Aid</b>	
1 FY11 Chapter 70 +SFSF	6,932,850	1 FY12 Chapter 70	6,932,850
<b>Foundation Aid</b>		<b>Foundation Aid</b>	
2 FY12 Foundation budget	57,861,962	2 FY13 Foundation budget	63,110,212
3 FY12 Required district contribution	52,548,862	3 FY13 Required district contribution	54,160,831
4 Foundation aid (2 -3)	5,313,100	4 Foundation aid (2 -3)	8,949,381
5 Increase over FY11 (4 - 1)	0	5 Increase over FY12 (4 - 1)	2,016,531
<b>Non-Operating District Reduction to Foundation</b>		<b>Non-Operating District Reduction to Foundation</b>	
6 Non-operating district reduction to foundation	0	6 Reduction to foundation	0
<b>Chapter 70 Aid FY12</b>		<b>Chapter 70 Aid FY13</b>	
sum of line 1 and 5 minus line 6	6,932,850	sum of line 1 and 5 minus line 6	8,949,381

# LOCAL RECEIPTS

❖ FY13 increase of \$808K (4%).



# FREE CASH

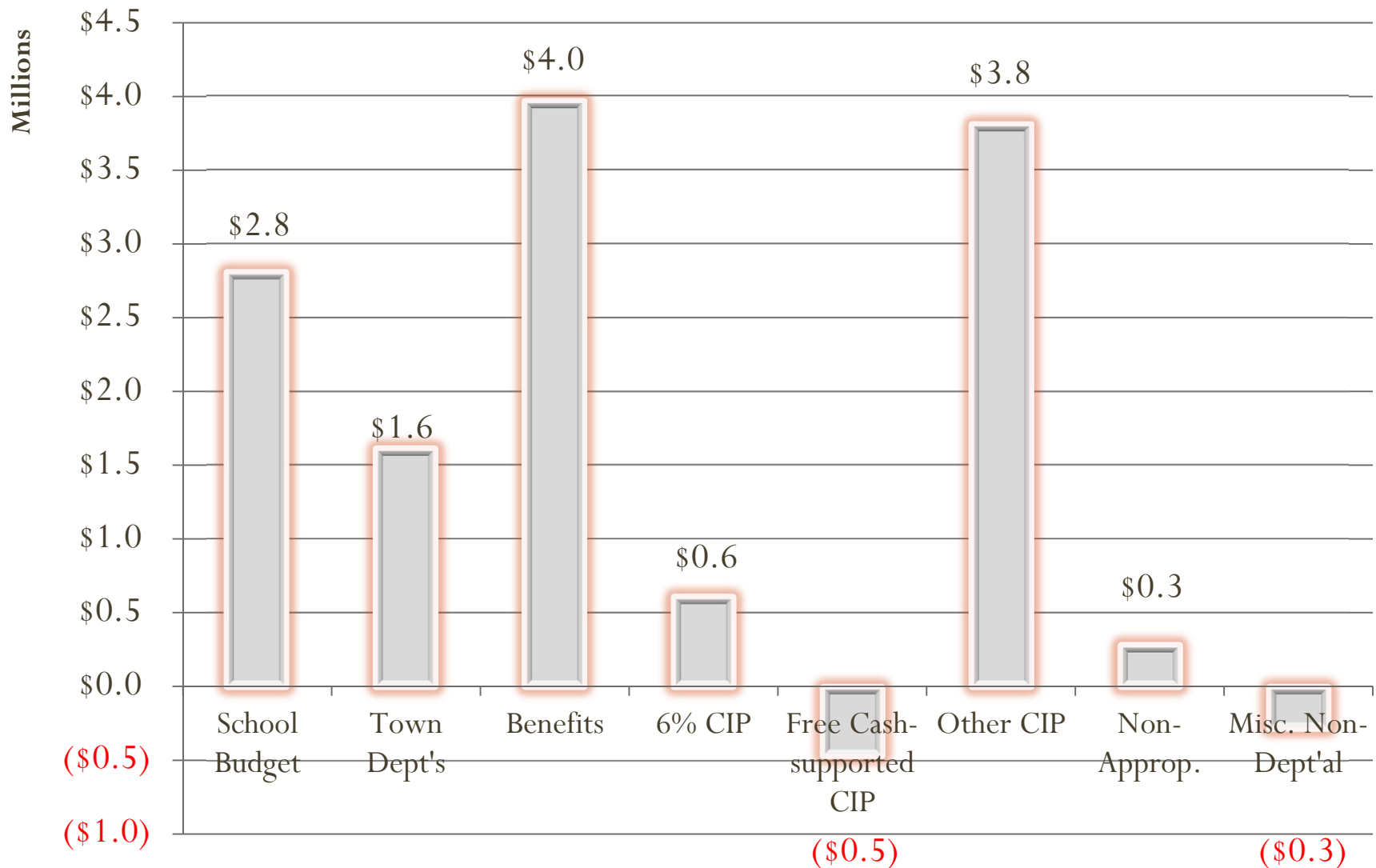
- ❖ Free Cash as of 7/1/11 certified at \$7,086,413.
- ❖ For FY13, recommending using \$5.3 million, leaving \$1.75 million unappropriated to help improve the undesignated fund balance situation.
- ❖ Free Cash sequencing:

1.	Operating Budget Reserve (25% of total reserve)	\$ 486,736
2.	Unreserved Fund Balance (left unapprop.)	\$1,750,000
3.	Liability/Catas. Reserve (to get to 1% of prior yr net rev)	\$ 253,669
4.	CIP (to get to 7.5% of prior yr net rev)	\$2,920,254
5.	<u>Affordable Housing TF (since fund balance below \$5M)</u>	<u>\$ 251,363</u>
	Sub-Total	\$5,662,023

Amount Available for “Special Use” (#6)	\$1,424,390
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6.	Special Use	
	➤ Additional CIP	\$ 1,027,474
	➤ OPEB's	\$ 211,256
	➤ Public Safety IOD Medical Expenses TF	\$ 185,660

# GENERAL FUND EXPENDITURE GROWTH

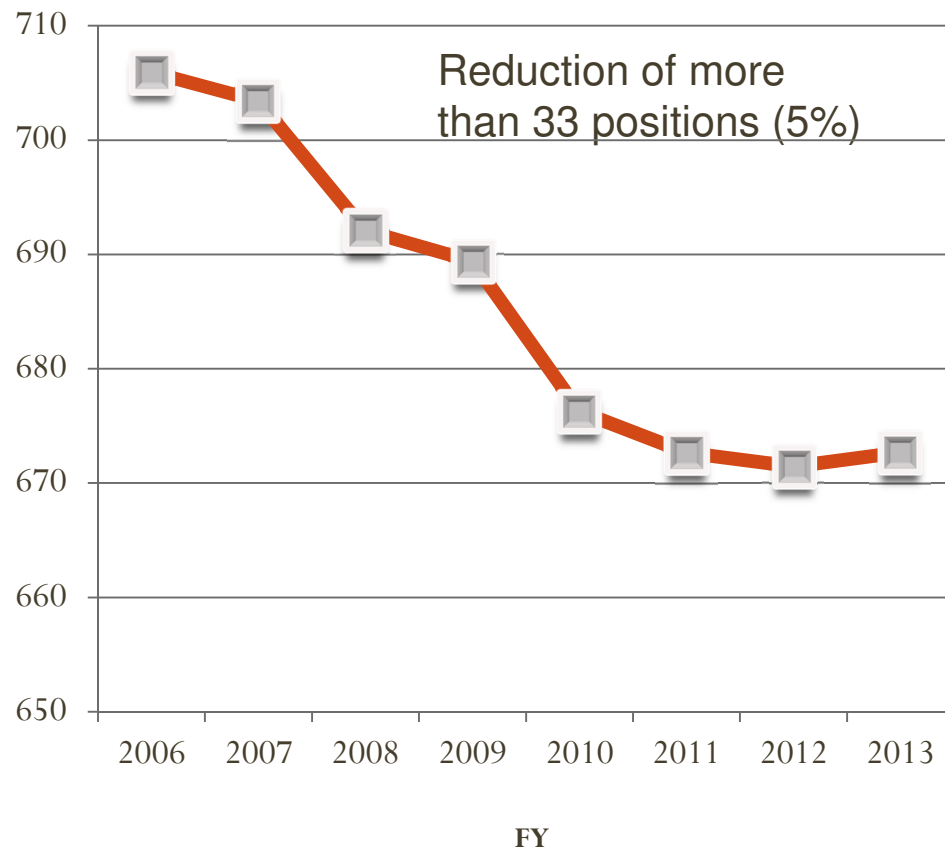


# DEPARTMENTAL CHANGES

<u>DEPARTMENT</u>	<u>FY13 BUDGET</u>	<u>% OF DEPT'AL TOTAL</u>	<u>FY13 vs FY12</u>		<u>W/O Utilities FY13 vs FY12</u>	
			<u>\$</u>	<u>%</u>	<u>\$</u>	<u>%</u>
Selectmen's Office	\$625,898	1.0%	\$6,139	1.0%	\$6,139	1.0%
Human Resources Department	\$507,186	0.8%	(\$11,756)	-2.3%	(\$11,756)	-2.3%
Information Technology	\$1,463,774	2.3%	\$31,248	2.2%	\$31,248	2.2%
Finance Department	\$2,966,751	4.6%	(\$19,527)	-0.7%	(\$19,426)	-0.7%
Legal Services	\$783,484	1.2%	\$2,180	0.3%	\$2,180	0.3%
Advisory Committee	\$20,118	0.0%	\$85	0.4%	\$85	0.4%
Town Clerk	\$625,299	1.0%	\$51,095	8.9%	\$51,095	8.9%
Planning & Community Devel.	\$605,603	0.9%	(\$10,160)	-1.7%	(\$10,160)	-1.7%
Police Department	\$14,877,838	23.0%	\$146,737	1.0%	\$109,662	0.8%
Fire Department	\$12,435,279	19.2%	\$120,029	1.0%	\$124,995	1.0%
Building Department	\$6,890,412	10.6%	\$29,926	0.4%	\$42,772	1.0%
Public Works	\$13,484,466	20.8%	\$254,050	1.9%	\$52,997	0.4%
Library	\$3,668,992	5.7%	\$76,743	2.1%	\$47,045	1.4%
Health	\$1,122,059	1.7%	(\$19,058)	-1.7%	(\$18,611)	-1.7%
Veterans' Services	\$290,996	0.4%	\$43,041	17.4%	\$43,041	17.4%
Council on Aging	\$838,351	1.3%	\$11,870	1.4%	\$45,207	6.3%
Human Relations Youth Resources	\$104,251	0.2%	(\$210)	-0.2%	(\$210)	-0.2%
Recreation Department	\$1,014,283	1.6%	\$5,605	0.6%	(\$35,979)	-4.0%
Personal Services Reserve	\$715,000	1.1%	\$0	0.0%	\$0	0.0%
Collective Bargaining	\$1,775,000	2.7%	\$893,528		\$893,528	
<b>TOTAL</b>	<b>\$64,815,040</b>		<b>\$1,611,565</b>		<b>\$1,353,854</b>	

# STAFFING LEVELS

## GENERAL FUND TOWN FTE's

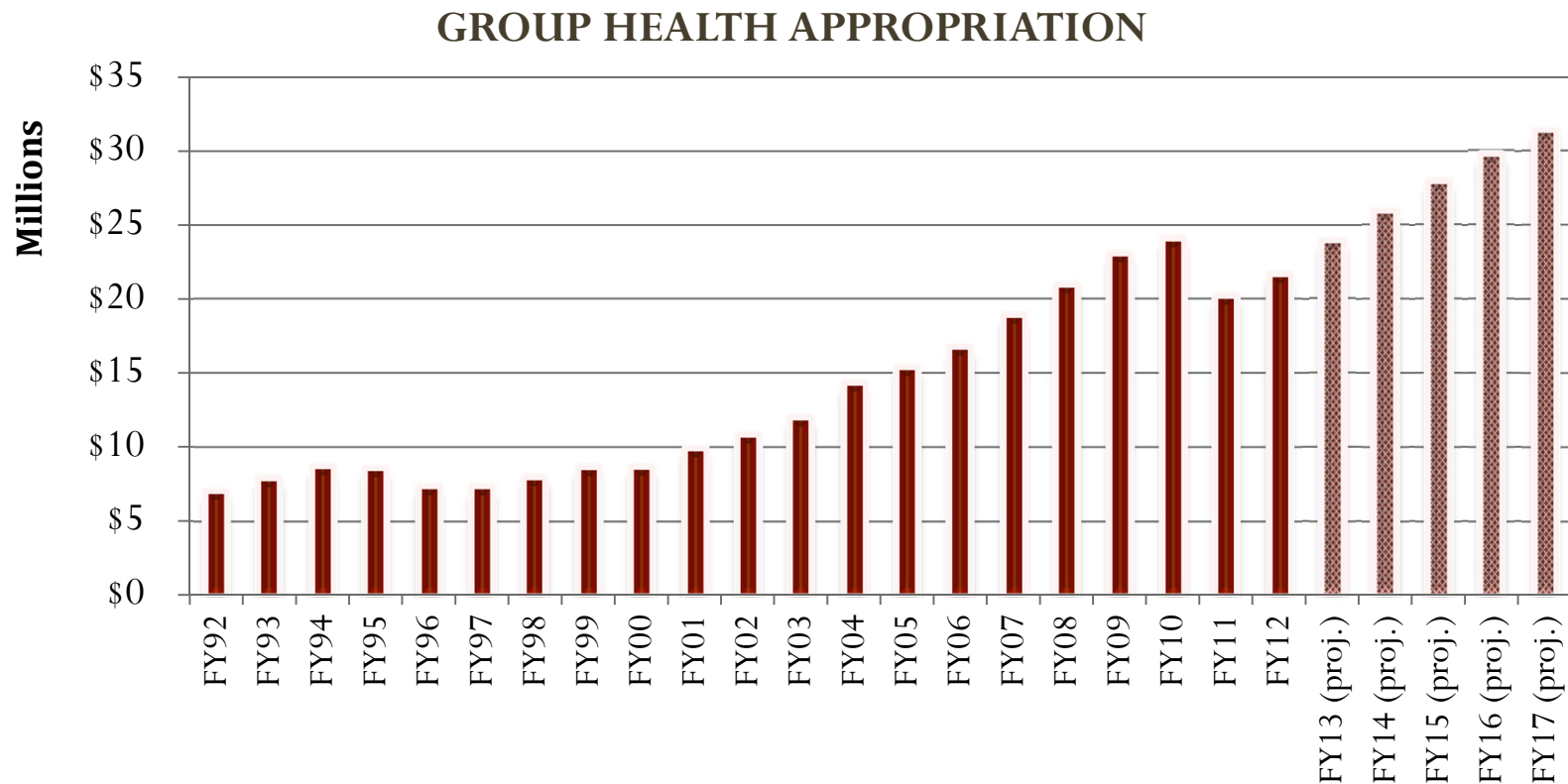


## EXAMPLES

- 7 in DPW from privatization efforts.
- 2 in DPW from consolidation efforts (1 from combining Fire Wires w/Highway and 1 from combining IT position w/ITD).
- 7 more in DPW from eliminating vacant positions.
- 3 in Police/Fire from civilianization efforts.
- 7 more cut from Police/Fire.
- 2 from investment in IT (Police and Library).
- 4 from A&F Dept's.

# HEALTH INSURANCE – TOWN COSTS

- ❖ Estimated FY13 increase of \$2.2M (10.4%).
- ❖ Cost includes Town share of premium going from 80% to 83%.



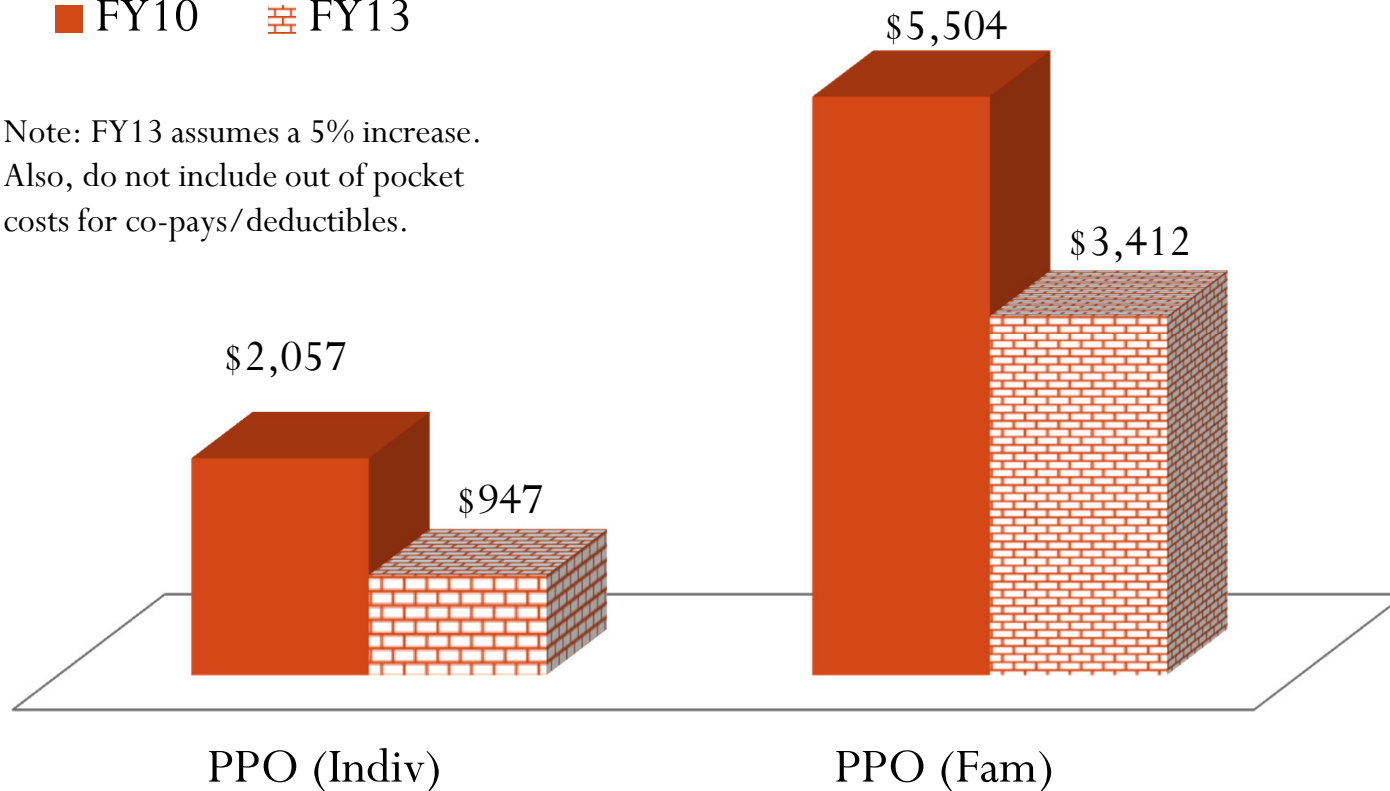
- Now consumes 12% of the Operating Budget vs 6% in FY00.
- FY13 total cost of Hvd PPO family plan is \$20,836.

# HEALTH INSURANCE – EMPLOYEE PREMIUM COSTS

Employee Costs of Health Ins Premium -- FY10 vs FY13

■ FY10    ▤ FY13

Note: FY13 assumes a 5% increase.  
Also, do not include out of pocket  
costs for co-pays/deductibles.



# OPEB'S

## ❖ FY13 Financial Plan includes the following:

- Increase in funding from operating revenue by \$250K to \$1.75M.
- Full assessment of Town special revenue funds for their liability.
- Use of “run-off” from funding for Non-Contributory retirees.
- New Medicare Part D Subsidy (\$300K) directed to OPEB funding.
- \$211,256 from Free Cash.

## ❖ Reach ARC in approx. 7-10 yrs.

## ❖ Breakdown for the FY13 OPEB appropriation:

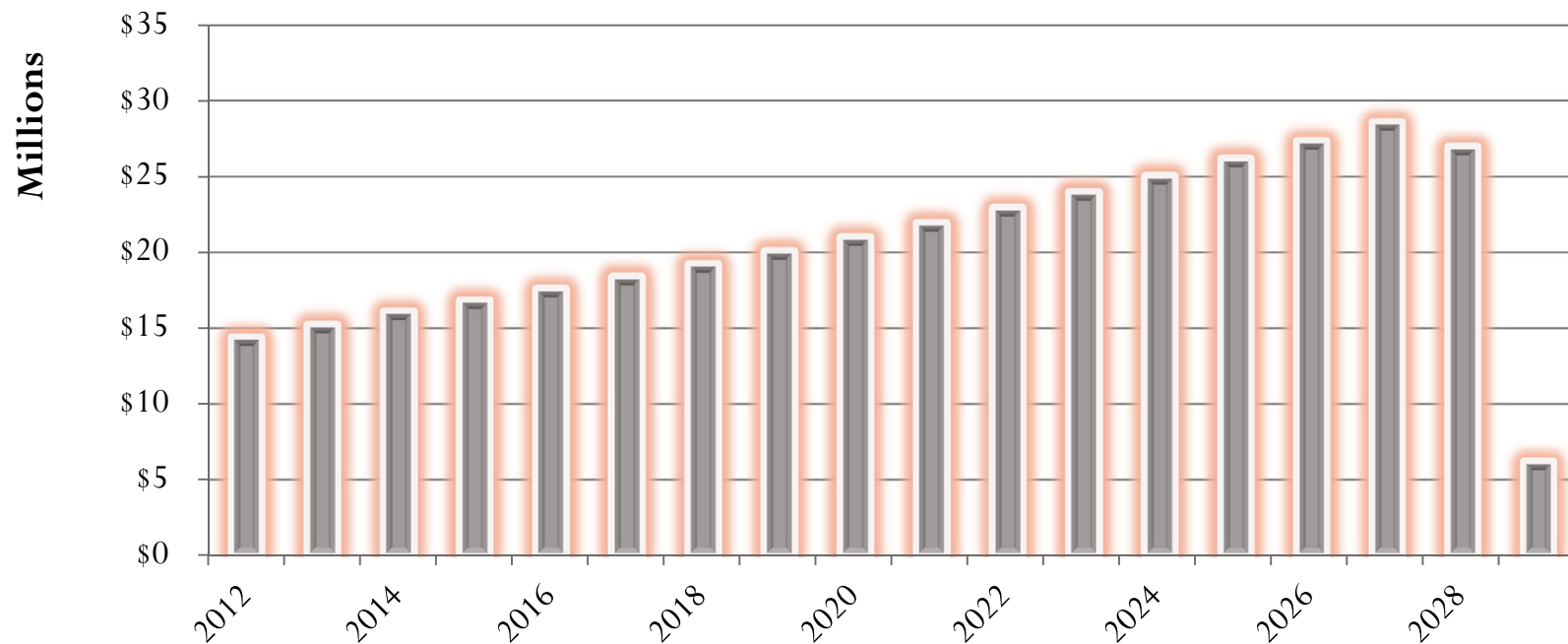
Non-Contributory (Pensions) Savings	80,000
Special Rev Funds	139,645
School Spec Rev Funds	117,936
Operating Revenue	1,753,092
Free Cash	211,256
Medicare Part D Revenue	300,000

<b>TOTAL</b>	<b>2,601,929</b>
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# PENSIONS

- ❖ Continue to follow current funding plan, which expires after FY13.
- ❖ Increase of \$830K (5.7%).
- ❖ FY14 could be negatively impacted by CY11 investment experience.

**PENSION SYSTEM FUNDING SCHEDULE**



# FY2013 WATER & SEWER ENTERPRISE FUND

	FY2011 BUDGET	FY2012 BUDGET	INCREASE/DECREASE		% of Total
			\$	%	
<b>REVENUE</b>					
Rate Revenue	24,260,606	25,306,122	1,045,516	4.3%	98.3%
Late Payment Fees	110,000	80,000	(30,000)	-27.3%	0.3%
Water Service Charges	82,000	115,500	33,500	40.9%	0.4%
Fire Service Fee	225,000	225,000	0	0.0%	0.9%
Misc.	10,000	10,000	0	0.0%	0.0%
<b>TOTAL REVENUE</b>	<b>24,687,606</b>	<b>25,736,622</b>	<b>1,049,017</b>	<b>4.2%</b>	
<b>EXPENDITURES</b>					
Personnel	2,289,748	2,339,744	49,996	2.2%	9.1%
Services	319,089	316,089	(3,000)	-0.9%	1.2%
Supplies	123,020	123,020	0	0.0%	0.5%
Other	6,400	6,400	0	0.0%	0.0%
Utilities	160,625	162,488	1,863	1.2%	0.6%
Capital Outlay	254,650	670,650	416,000	163.4%	2.6%
Inter-Governmental (MWRA)	17,109,942	17,622,480	512,538	3.0%	68.5%
Benefits	1,304,915	1,274,665	(30,250)	-2.3%	5.0%
Inter-Departmental Overhead	562,732	581,322	18,590	3.3%	2.3%
Debt Service	2,335,704	2,384,946	49,242	2.1%	9.3%
Reserve	220,780	254,818	34,038	15.4%	1.0%
<b>TOTAL EXPENDITURE</b>	<b>24,687,606</b>	<b>25,736,622</b>	<b>1,049,016</b>	<b>4.2%</b>	
<b>BALANCE</b>	<b>0</b>	<b>0</b>	<b>0</b>		

# FY2013 GOLF COURSE ENTERPRISE FUND

	FY2011 BUDGET	FY2012 BUDGET	INCREASE/DECREASE		% of Total
			\$	%	
<b>REVENUE</b>					
Greens Fees	986,000	984,000	(2,000)	-0.2%	81.7%
Golf Cart Rentals	75,000	75,000	0	0.0%	6.2%
Pro Shop Sales	44,000	44,000	0	0.0%	3.7%
Concessions	40,000	42,000	2,000	5.0%	3.5%
Golf Clinics	30,000	30,000	0	0.0%	2.5%
Other	29,000	29,000	0	0.0%	2.4%
<b>TOTAL REVENUE</b>	<b>1,204,000</b>	<b>1,204,000</b>	<b>0</b>	<b>0.0%</b>	
<b>EXPENDITURES</b>					
Personnel	420,970	380,393	(40,577)	-9.6%	31.6%
Services	116,566	121,566	5,000	4.3%	10.1%
Supplies	118,200	148,200	30,000	25.4%	12.3%
Other	4,100	4,100	0	0.0%	0.3%
Utilities	89,817	93,385	3,567	4.0%	7.8%
Capital Outlay	83,900	83,900	0	0.0%	7.0%
Debt Service	185,679	192,419	6,740	3.6%	16.0%
Benefits / Other	131,152	125,827	(5,325)	-4.1%	10.5%
Town Fee (Transfer to Town for general use)	32,700	29,211	(3,489)	-10.7%	2.4%
Reserve	20,915	25,000	4,085	19.5%	2.1%
<b>TOTAL EXPENDITURE</b>	<b>1,204,000</b>	<b>1,204,000</b>	<b>0</b>	<b>0.0%</b>	
<b>BALANCE</b>	<b>0</b>	<b>0</b>	<b>0</b>		

# FY2013 RECREATION REVOLVING FUND

	FY2011 BUDGET	FY2012 BUDGET	INCREASE/DECREASE		% of Total
			\$	%	
<b>REVENUE</b>					
Aquatic	430,000	489,000	59,000	13.7%	20.5%
Eliot Center	313,281	175,142	(138,139)	-44.1%	7.3%
Environmental Programs	45,000	50,000	5,000	11.1%	2.1%
Ice Skating	140,000	151,206	11,206	8.0%	6.3%
Outdoor Recreation	271,309	549,838	278,529	102.7%	23.0%
Outdoor Athletics	169,644	169,491	(153)	-0.1%	7.1%
Soule Center	565,000	582,000	17,000	3.0%	24.4%
Soule Gym	22,325	73,165	50,840	227.7%	3.1%
Tappan Facility	99,154	148,813	49,659	50.1%	6.2%
<b>TOTAL REVENUE</b>	<b>2,055,713</b>	<b>2,388,655</b>	<b>332,942</b>	<b>16.2%</b>	
<b>EXPENDITURES</b>					
Personnel	1,292,592	1,446,245	153,653	11.9%	60.5%
Services	192,108	311,519	119,411	62.2%	13.0%
Supplies	108,073	159,644	51,572	47.7%	6.7%
Other	40,338	52,938	12,600	31.2%	2.2%
Utilities	120,321	115,176	(5,145)	-4.3%	4.8%
Capital Outlay	6,369	21,369	15,000	235.5%	0.9%
Benefits / Other	295,912	281,764	(14,148)	-4.8%	11.8%
<b>TOTAL EXPENDITURE</b>	<b>2,055,713</b>	<b>2,388,655</b>	<b>332,942</b>	<b>16.2%</b>	
<b>BALANCE</b>	<b>0</b>	<b>0</b>	<b>0</b>		

# CAPITAL IMPROVEMENT PROGRAM

- ❖ Developed within the parameters of the Board of Selectmen's revised CIP Policies.
- ❖ At full funding -- 6% of prior year net revenue + Free Cash to get to 7.5%.
- ❖ Calls for an investment of \$153.8 million over the next six years, for an average of \$25.6 million/yr.
- ❖ \$3.9 million of Free Cash is used to support the CIP in FY13.
- ❖ Financing plan includes \$45.2M of outside funding sources:
  - ❖ \$3.25 million from the sale of the Town-owned Fisher Hill Reservoir to be used to fund the construction of a playing field on the State-owned site.
  - ❖ \$41.2 million in State / Federal grants (mostly MSBA).
- ❖ School enrollment continues to drive CIP spending.

# CIP FUNDING SUMMARY

	2013	2014	2015	2016	2017	2018
6% Policy	11,681,838	12,003,529	12,381,849	12,841,939	13,293,072	13,684,004
Net-Debt *	8,356,066	8,678,649	8,375,919	8,846,684	10,754,860	12,316,322
Pay-as-you-Go	3,325,771	3,324,879	4,005,929	3,995,255	2,538,212	1,367,682
<u>Free Cash</u>	<u>2,920,254</u>	<u>3,003,534</u>	<u>3,098,193</u>	<u>3,213,297</u>	<u>3,326,164</u>	<u>3,423,982</u>
Sub-Total	14,602,092	15,007,062	15,480,041	16,055,235	16,619,236	17,107,986
CIP as a % of Prior Yr Net Rev Per Policy	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%
<u>ADDITIONAL REVENUE</u>						
Additional Free Cash	1,027,475	0	0	0	0	0
Re-Approp.	560,000	0	0	0	0	0
Sale of Town Land	3,250,000	0	0	0	0	0
<u>Parking Meter Receipts</u>	<u>100,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Sub-Total	4,937,475	0	0	0	0	0
TOTAL REVENUE	19,539,567	15,007,062	15,480,041	16,055,235	16,619,236	17,107,986
TOTAL CIP as a % of Prior Yr Net Rev	10.0%	7.5%	7.5%	7.5%	7.5%	7.5%

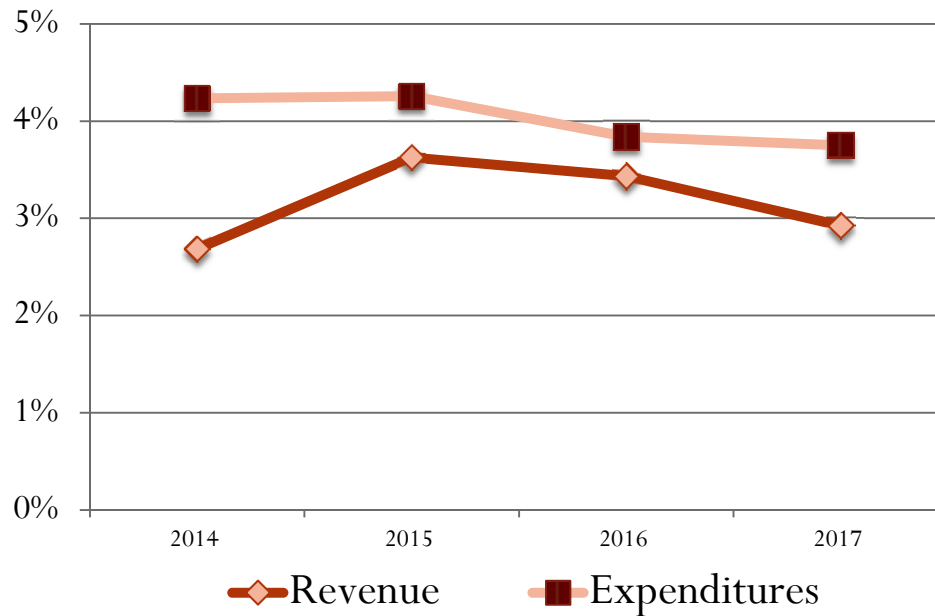
\* Defined as General Fund debt less debt supported by a debt exclusion.

# MAJOR CIP PROJECTS

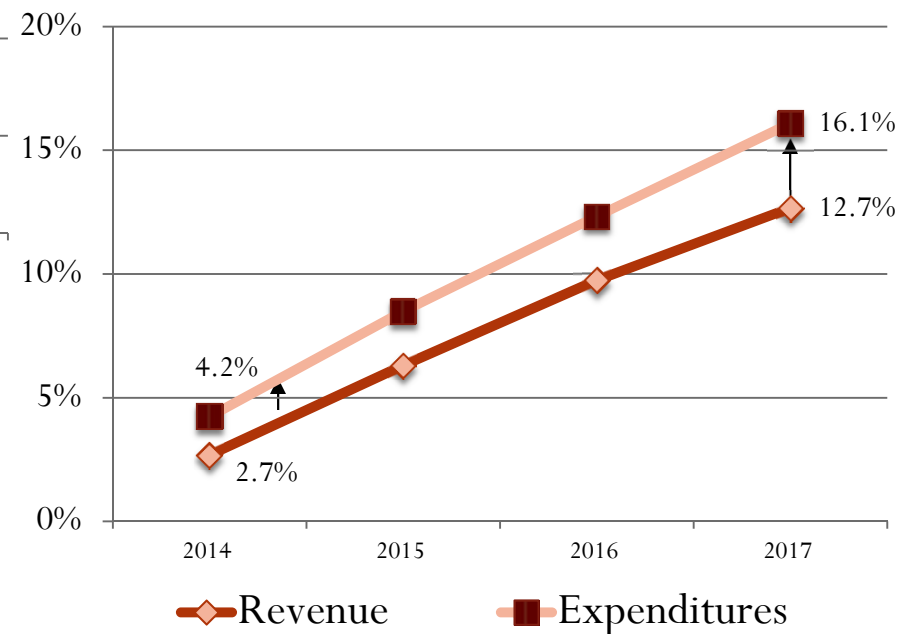
- ❖ Devotion School Rehab - \$46.1 million of Town funding plus the possibility of \$30.8 million of State funding (FY14-FY15)
- ❖ Newton St. Landfill (Rear Landfill Closure) - \$4.6 million (FY15)
- ❖ Village Square - \$4.5M (FY14) - - all outside funding
- ❖ Fire Station Renovations - \$3.3 million (all years)
- ❖ Fisher Hill Reservoir Re-Use - \$3.25 million (FY13)
- ❖ Waldstein Playground & Warren Field - \$2.3 million (FY13)
- ❖ Driscoll School HVAC - \$2.2 million (FY16-FY17)
- ❖ Baldwin School - \$2 million (FY14-FY16)
- ❖ Brookline Reservoir Park - \$1.4 million (FY16)
- ❖ UAB - \$1.3 million (FY13)
- ❖ Classroom Capacity – \$1.25 million (FY13)
- ❖ Municipal Service Center Floor / Space – \$1.1 million (FY13-FY14)

# FUTURE REVENUE & EXPENDITURE GROWTH

## PROJECTED ANNUAL GROWTH



## PROJECTED CUMULATIVE GROWTH



	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>REVENUE</b>					
Property Taxes	169,848,463	175,275,897	182,411,574	189,226,104	195,852,256
Local Receipts	21,084,438	21,257,676	21,534,115	21,988,477	21,616,518
State Aid	14,806,425	14,806,425	15,154,703	15,511,689	15,877,599
Other Available Funds	10,144,344	6,433,988	6,568,775	6,694,793	6,898,010
Free Cash	5,336,413	3,750,000	3,750,000	3,850,000	3,950,000
<b>TOTAL REVENUE</b>	<b>221,220,083</b>	<b>221,523,987</b>	<b>229,419,168</b>	<b>237,271,063</b>	<b>244,194,384</b>
\$\$ Increase	12,341,010	303,904	7,895,181	7,851,895	6,923,321
% Increase	5.9%	0.1%	3.6%	3.4%	2.9%

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>EXPENDITURES</b>					
Departmental	63,875,040	65,443,036	67,184,420	68,791,838	70,515,337
Coll. Barg. - Town	940,000	950,000	960,000	970,000	1,110,000
Schools	76,896,064	80,296,064	84,396,064	88,371,264	91,821,264
Coll. Barg. - School	1,300,000	2,000,000	1,875,200	1,350,000	1,390,000
Non-Departmental - Benefits	46,073,913	48,875,772	51,962,271	55,029,112	57,947,673
Non-Departmental - General	960,761	527,841	524,629	556,425	575,432
Non-Departmental - Debt Service	10,046,874	9,851,449	9,530,319	9,982,684	11,863,260
Non-Departmental - Reserve Fund	1,946,946	2,024,459	2,084,771	2,161,990	2,237,727
Special Appropriations	11,183,500	6,504,792	7,259,866	7,368,239	6,028,094
Non-Appropriated	7,996,982	8,184,052	8,375,798	8,572,338	8,773,791
<b>TOTAL EXPENDITURES</b>	<b>221,220,083</b>	<b>224,657,464</b>	<b>234,153,338</b>	<b>243,153,889</b>	<b>252,262,579</b>
\$\$ Increase	12,341,010	3,437,382	9,495,873	9,000,551	9,108,690
% Increase	5.9%	1.6%	4.2%	3.8%	3.7%

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>CUMULATIVE SURPLUS/(DEFICIT)</b>					
	<b>0</b>	<b>(3,133,477)</b>	<b>(4,734,170)</b>	<b>(5,882,826)</b>	<b>(8,068,195)</b>
<b>DEFICIT AS A % OF OP REV</b>	<b>0.0 %</b>	<b>-1.6 %</b>	<b>-2.5 %</b>	<b>-2.7 %</b>	<b>-3.1 %</b>
Surplus / (Deficit) Prior to Collective Bargaining	2,240,000	(183,480)	(1,898,970)	(3,562,826)	(5,568,195)
Town Share of Surplus / (Deficit)	940,000	254,612	172,489	99,225	(477,607)
Town Collective Bargaining	940,000	950,000	960,000	970,000	1,110,000
<b>Total Town Surplus / (Deficit)</b>	<b>0</b>	<b>(695,388)</b>	<b>(787,511)</b>	<b>(870,775)</b>	<b>(1,587,607)</b>
School Share of Surplus / (Deficit)	1,300,000	(438,093)	(2,071,459)	(3,662,051)	(5,090,588)
School Collective Bargaining	1,300,000	2,000,000	1,875,200	1,350,000	1,390,000
<b>Total School Surplus / (Deficit)</b>	<b>0</b>	<b>(2,438,093)</b>	<b>(3,946,659)</b>	<b>(5,012,051)</b>	<b>(6,480,588)</b>